

**ASSEMBLY BILL**

**No. 1707**

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**Introduced by Assembly Member Chan**

February 22, 2005

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An act to amend Section 16531.1 of the Government Code, relating to Medi-Cal, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1707, as introduced, Chan. Medi-Cal financing.

Existing law creates the continuously appropriated Medical Providers Interim Payment Fund, for the purposes of paying Medi-Cal providers, providers of drug-treatment services for persons infected with HIV, and providers of services for the developmentally disabled, for services provided on or after July 1 of the fiscal year for which a budget has not yet been enacted or there is a deficiency in the Medi-Cal budget in any fiscal year, and appropriates, for each fiscal year in which these payments are necessary, up to \$1,000,000,000 from the General Fund, in the form of loans, and \$1,000,000,000 from the Federal Trust Fund to the Medical Providers Interim Payment Fund.

This bill would delete the limitation on the application of the continuously appropriated funds to services provided. By expanding the scope of the application of the continuously appropriated funds, this bill would result in an appropriation.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 16531.1 of the Government Code is amended to read:

16531.1. (a) Notwithstanding any other provision of law and without regard to fiscal year, if the annual State Budget is not enacted by June 30 of any fiscal year preceding the fiscal year to which the budget would apply or there is a deficiency in the Medi-Cal budget during any fiscal year, both of the following shall occur:

(1) The Controller shall annually transfer from the General Fund, in the form of one or more loans, an amount not to exceed a cumulative total of one billion dollars (\$1,000,000,000) in any fiscal year, to the Medical Providers Interim Payment Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the Medical Providers Interim Payment Fund is hereby continuously appropriated for the purpose of making payments to Medi-Cal providers, providers of services under Chapter 6 (commencing with Section 120950) of Part 4 of Division 105 of the Health and Safety Code, and providers of services under Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code, ~~for services provided~~ on or after July 1 of the fiscal year for which no budget has been enacted and before September 1 of that year or for the purpose of making payments to Medi-Cal providers, providers of services under Chapter 6 (commencing with Section 120950) of Part 4 of Division 105 of the Health and Safety Code, and providers of services under Division 4.5 (commencing with Section 4500), during the period in which the Medi-Cal Program has a deficiency. Payments shall be made pursuant to this subdivision if both of the following conditions have been met:

(A) An invoice has been submitted for the services.

(B) Payment for the services is due and payable and the State Department of Health Services determines that payment would be valid.

(2) For any fiscal year to which this subdivision applies, there is hereby appropriated the sum of one billion dollars (\$1,000,000,000) from the Federal Trust Fund to the Medical Providers Interim Payment Fund.

1 (b) Upon the enactment of the annual Budget Act or a  
2 deficiency bill in any fiscal year to which subdivision (a) applies,  
3 the Controller shall transfer all expenditures and unexpended  
4 funds in the Medical Providers Interim Payment Fund to the  
5 appropriate Budget Act item.

6 (c) The amount of any loan made pursuant to subdivision (a)  
7 and for which moneys were expended from the Medical  
8 Providers Interim Payment Fund shall be repaid by debiting the  
9 appropriate Budget Act item in accordance with the procedure  
10 prescribed by the Department of Finance.